

**MINUTES OF THE  
UTAH COMPREHENSIVE HEALTH INSURANCE POOL  
BOARD OF DIRECTOR'S MEETING**

**November 10, 2011**

**SelectHealth  
5381 Green Street  
Auditorium B  
1:00 P.M.**

**Directors Present:** Doug Hasbrouck M.D.; Neal Gooch; Steve Neeleman; Rob Perry; Randy Smart; Norman Thurston; Chet Loftis; Todd Trettin; Norman Thurston; Steve Bateman; Steven Canfield;

**Directors Absent:** Matthew Minkevitch; Elizabeth Hunter

**Present by Invitation:** Sally Burns; Tomi Ossana; Troy Pritchett.

**SelectHealth Staff Present:** Lyndee Astill; Stephanie Clausen; Maren Donaldson ; Shirlee Flandro; Jesse Liddell; Jim Murray; Heidi Wallentine

**Visitors:** Jennifer Roth; Van Christensen; Kempton Page

**HIPUTAH BOARD MEETING-November 10, 2011**

The HIPUtah & Federal-HIPUtah Board Meeting was called to order at 1:08 by Doug Hasbrouck

**APPROVAL OF MINUTES—Doug Hasbrouck, M.D.**

The HIPUtah minutes of August 25, 2011 were presented. They were approved with no corrections.

**CALENDAR YEAR 2012 HIPUTAH BOARD MEETINGS**

The Calendar for 2012 was presented including the NASCHIP January Board Meeting and the Legislative Session beginning in January. All were approved with no corrections.

**ADMINISTRATIVE AND LOSS RATIO REPORT—Jesse Liddell**

*HIPUtah*

1. There has been a negative 8% growth from last year to date. The \$5000 plan has been seeing the biggest increase.
2. Of the 185 being denied for underwriting criteria not being met, the majority of them are the children applying for a certificate of credible coverage.
3. The number of people on HIPUtah continues to decline every month.
4. The applications are going to be under review with the HIPUtah team and Tomi to see if there is a way to eliminate the issue of missing information. It seems the majority of the incomplete applications are missing the same information

*Federal-HIPUtah*

1. The number of people on the Federal-HIPUtah program continues to increase.

2. The number of the applicants that are given a PEC waiting period on HIPUtah has gone down due to the Federal-HIPUtah plan that allows them coverage from day one.
3. The numbers on the \$500 plan and the \$5000 plan are almost equal. It seems because the younger individuals that have not carried insurance are coming on for a specific medical condition (as in pregnancy) then terminating the policy once no longer needed.

*Loss Ratio*

1. The loss ratio for Federal-HIPUtah is at 765% which has gone down from the previous year (consisting of July 1- June 30.)
2. The membership graph is broken down by the new applicants, age and deductible category. It then shows the average debit points.
3. There was an error pointed out in the graphs. The last age group on each should list from 61+ not 64+

**HIPUTAH ANNUAL FINANCIAL REPORT—Van Christensen**

1. The balance sheet is a snapshot for a specific point in time. It shows from 2010 to 2011 there has been a loss of net assets of \$5.2 million.
2. In the statement of revenue income statement shows the premium revenue covering the operating revenue, operating expenses and operating loss of about \$15 million. Under the Non-operating revenue it includes the State appropriations and the Federal grants funds showing a total net loss of \$5.2 million.
3. In the Internal Control and Compliance report there was only one recommendation from the auditors for HIPUtah to modify their monitoring procedures which made the selection of files audited not randomized. The steps have already been taken to correct the issue.

**UNDERWRITING CRITERIA REVIEW—TROY PRITCHETT**

It has been determined to discuss with the board the best procedure to determine the average debit points for acceptance into HIPUtah. With the Utah demographics skewed because of a higher youth population, it throws the national processes off. It has been considered to do an age based debit points, however, that would be difficult to compute. It is currently sitting at 99 points to be considered insurable under the HIPUtah plan. According to the national average they should be at 152 points, if it is determined off Utah numbers alone it should go down to 87. The consensus in the meeting was to keep the debit points at 99 until Ms. Ossana has an opportunity to discuss the analysis with Representative Dunnigan and gain feedback on what direction to proceed. No motion was made since nothing was changed.

**ACTUARIAL REPORT AND FINANCIAL PROJECTIONS—Troy Pritchett**

1. Originally the drop in enrollment for HIPUtah was considered with the startup of Federal-HIPUtah. In the current projections it is now changed to projecting a .4% per month drop in enrollment through June of 2012. At which point it will be reviewed when or if Federal-HIPUtah enrollment is capped.
2. For Federal-HIPUtah, though there was a drop in total expenditures, there was an increase in claims processed. It is believed this has to do with individuals dropping once they get specific services covered by the insurance. There has been an increase of 60% in paid claims from September 2010 to August 2011. The total amount of paid claims is \$1.6 million.
3. Claims for the top 3 services are pregnancies, cancers, and hernias. Beyond that are heart transplants and bone marrow transplants.

**BUDGET REVIEW—Tomi Ossana**

1. FY 2011 finished with 7.5 months reserve .
2. With Troy's projections FY 2012 should be ending with 7.4 reserves.
3. In FY 14 there are only 6 months of revenue.
4. \$5 million has been requested for FY 13 and 14. If approved it will end FY 14 with 6.7 months of reserves. The governor's budget meeting resulted in a suggestion that HIPUtah create a contingency plan for HIPUtah for FY 2013.
5. HIPUtah contingency plan was introduced.
6. The first quarter statement for FY 12 has been received and will be reviewed.

**LEGISLATIVE ACTION AND REQUESTS—Tomi Ossana**

In a situation where an individual is termed off a Medicaid policy and applies for HIPUtah the statute stated they have 45 days to apply where currently they have 62 days. It has been agreed to pass they are allowed the 62 days to make it consistent. There is nothing to vote on, it is just informative.

**FEDERAL HIPUTAH BUDGET AND ALLOCATION DISCUSSION—Tomi Ossana and Sally Burns**

1. The operating loss is about \$10 million and the claims paid out are about \$9 million. The allocated budget for claims payout per the contract is \$9.8 million for the calendar year which indicates we have spent what has been allocated. There has been talk of either capping claims or requesting more funds.
2. It was decided through CHICO to increase this year's allocation from \$9 million to \$14.4 million to complete the rest of the calendar year.
3. The forecast is they will provide funding through 2012 however it may be requested of multiple states to cap their enrollment for 2013.
4. In the future when Tomi does the budget it would be best to use the reallocated budget instead of listing both the original and reallocated budget.

**RISK POOL ENROLLEES TRANSITION TO EXCHANGE AND REINSURANCE—Tomi Ossana**

After discussion with members from the Department of Insurance it has been determined Tomi will present at the Health System Reform Task Force meeting on November 16<sup>th</sup>. Tomi will present the Boards concern regarding the move from HIPUtah to the Exchange in 2014. At that point, HIPUtah members will be transitioning, making The Exchange more of a high risk pool.

It needs to be determined and clarified where the funding will come from to cover the costs for The Exchange.

**It was moved** Troy provide an actuarial report regarding the financial impact of the HIPUtah insures moving to The Exchange in 2014. Moved—Rob Perry; seconded—Norman Thurston. Motion carried.

**PREMIUM SUBSIDY UPDATE—Tomi Ossana**

Of the \$200,000 allocated, we have used \$120,000 of the premium subsidy. We have received the \$1.9 million to proceed with the program. With that funding we can provide coverage till December 2012.

**ACTION ITEMS —Tomi Ossana**

Annual report: (incorrect report was placed in the books) Tomi will resend the correct report. After each person has a chance to review it. If there are any questions they can be directed to Tomi.

**NEXT MEETING**

The next Board meeting has been scheduled for **January 12, 2012, 1:00 P.M.** at SelectHealth.

There being no further business, the meeting adjourned at 3:38 P.M.

Dated \_\_\_\_\_ of \_\_\_\_\_